(c) whether it is also a fact that ASSL is procuring a satellite system from Alcatel Space Industries at a total project cost of Rs. 1,197 crore; and

(d) if so, to what extent the approval will help in getting the foreign equity ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH) : (a) to (d) The Government of India have approved the proposal of Agrani Satellite Services Limited to set up a joint venture with M/s Agrani Satcoms (Mauritius) Ltd. and other foreign partners to own, establish and operate an Indian Satellite System 'AGRANI-2'. The foreign equity participation in the new company will be 74%. The satellite system named 'AGRANI-2', is to be procured from Alcatel Space Industries to address the C-and Ku-band fixed satellite services market requirements in India and neighbouring countries with total project cost of Rs. 1,197 crore. The company has identified two foreign investors namely Alcatel Space Com S.A., France and Arianespace S.A., France, who would be subscribing to the extent of 9.75% (US$ 15 million) and 3.25% (US$ 05 million), respectively, in the equity share capital of the company within the approved limit of 74% foreign equity.

Provision of transport subsidy

2302. SHRI KHAGEN DAS : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether no transport subsidy has been given to UT of Lakshadweep though the scheme to promote industry in remote, hilly and inaccessible areas was launched since 1971;

(b) whether it is also a fact that Sikkim and Andaman and Nicobar have also not been given subsidy during 1998-99 and 1999-2000;

(c) if so, the reasons therefor; and

(d) the amount of subsidy given to Sikkim and Andaman and Nicobar during the fiscal year 2000-01?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH) : (a) to (c) Under the Transport Subsidy Scheme, 1971, the Central Government reimburses the amount disbursed by State Governments/Union Territory Administrations to eligible industrial unit

located in the selected areas. No reimbursement claims have been received from the Union Territories of Lakshadweep and Andaman & Nicobar Islands and the State of Sikkim in respect of the periods in question.

(d) During the fiscal year 2000-01, no reimbursement claims have been received from the State of Sikkim. Andaman & Nicobar Administration has, however, been reimbursed a sum of Rs. 33.46 lakh during 2000-01.

SEZ near Vishakhapatnam

2303. SHRI SOLIPETA RAMACHANDRA REDDY : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether it is a fact that Andhra Pradesh Government is presently establishing a Special Economic Zone near Vishakhapatnam;

(b) if so, whether the Central Government have directed the concerned Ministries to sort out issues mentioned by Andhra Pradesh Chief Minister in his letter; and

(c) if so, the details of the issues sorted out ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI) : (a) Yes, Sir.

(b) and (c) The Chief Minister of Andhra Pradesh has suggested certain improvement in the policy framework for Special Economic Zones (SEZs). These include tax incentives for SEZs developers and for units located in the Zones, liberalized policy in telecommunication sector to the service providers, in SEZs, de-centralized and speedy environment clearance. The Government has not finalized its views in the matter.

Recession in leather industry

†2304. SHRI JANESHWAR MISHRA : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether it is a fact that leather industry in Kanpur is on the verge of closure due to acute recession;

(b) if so, the details thereof;

†Original notice of the question was received in Hindi.